



Aurora Harris, Southern Regional Director

Rio Gonzalez, Mental Health Policy Fellow

Dear Chair Lucio III and House Insurance Committee Members,

My name is Rio Gonzalez; I am the Mental Health Policy Fellow for Young Invincibles (YI) a national, non-partisan research and advocacy organization focused on critical economic issues facing young people ages 18 to 34, one of them being access to affordable health care. In Texas we are based in Houston and Austin, work with young people throughout the state, and share in their struggles and successes on the path to health insurance security. Thank you for the opportunity to submit our research findings and recommendations regarding Interim Question #4 and health insurance in Texas.

Question 4: What is the anticipated impact of the COVID-19 pandemic on health insurance premiums and the health insurance market moving forward?

Current Landscape

Prior to the COVID-19 pandemic, Texas held the largest number and percentage of uninsured residents in the United States, with almost one third of young adults in Texas uninsured.¹ Additionally, Texas has yet to expand Medicaid; the strict eligibility requirements have created an enormous coverage gap for those who do not qualify for Medicaid or Marketplace premium tax credits.² The pandemic has further highlighted and exacerbated the significant challenges people who are uninsured or underinsured face. The pandemic-driven economic recession has led to a vast amount of job loss causing millions to lose their job-based coverage. Although loss of health coverage is a qualifying event for a Special Enrollment Period (SEP), the process of providing documentation eligibility has proven to be burdensome during the pandemic. In an attempt to alleviate some of the burden and extend coverage to people who are uninsured, most of the state-based marketplaces, not including Texas, have offered SEPs with minimal eligibility

¹ Matthew Buettgens, Linda J. Blumberg, and Clare Pan, "The Uninsured in Texas: Statewide and Local Area Views," Episcopal Health (Urban Institute, December 2018), https://www.urban.org/sites/default/files/publication/99498/uninsured_in_texas_2.pdf.

² Rachel Garfield, Kendal Orgera, and Anthony Damico, "The Coverage Gap: Uninsured Poor Adults in States That Do Not Expand Medicaid," KFF (KFF, January 14, 2020), <https://www.kff.org/medicaid/issue-brief/the-coverage-gap-uninsured-poor-adults-in-states-that-do-not-expand-medicaid/>.

restrictions. Because of these COVID-19 SEPs, at least 300,000 additional people have been able to enroll since March across eight states.³ Furthermore, thousands of young students have lost access to their campus providers, as colleges and universities throughout the U.S. went virtual in response to the pandemic.

Impact on Premiums

Despite the initial concern that the COVID-19 pandemic would cause premiums to skyrocket, insurers believe that the financial impact for 2021 premiums will be anywhere from modest to minimal.⁴ The rapidly changing situation and the major unknowns for what a second wave of the pandemic will look like poses new challenges for insurers who currently need to lock in premium prices for 2021. At this moment, most carriers are not requesting large rate hikes but are including a disclaimer that requests their right to modify their rates later based on new information. There are a handful of carriers who have requested large increases in premiums to help cover testing expenses. On the other hand, some carriers are not mentioning the pandemic at all when filing their 2021 premiums and have little or no rate increase.⁵

Moving Forward

We recommend that in order to get more young adults in Texas insured, Texas expands Medicaid coverage and offers a Special Enrollment Period with broad eligibility for the uninsured. It's never been more important for every young adult to access health insurance. Additionally, we recommend Texas prohibit state public hospitals from going after uninsured patients for COVID-19 related bills and recommend implementing stronger state level protections from medical debt.

Sincerely,

Aurora Harris, Southern Regional Director, Young Invincibles
Rio Gonzalez, Mental Health Policy Fellow, Young Invincibles

³ Emily Gee, Charles Gaba, and Nicole Rapfogel, "The ACA Marketplaces Are Poised To Weather COVID-19," Center for American Progress (Center for American Progress, August 21, 2020), <https://www.americanprogress.org/issues/healthcare/reports/2020/08/21/489710/aca-marketplaces-poised-weather-covid-19/>.

⁴ Kevin Lucia et al., "The COVID-19 Pandemic: Insurer Insights into Challenges, Implications, and Lessons Learned," RWJF (RWJF, June 29, 2020), <https://www.rwjf.org/en/library/research/2020/06/the-covid-19-pandemic-insurer-insights-into-challenges-implications-and-lessons-learned.html>.

⁵ Emily Gee, Charles Gaba, and Nicole Rapfogel, "The ACA Marketplaces Are Poised To Weather COVID-19," Center for American Progress (Center for American Progress, August 21, 2020), <https://www.americanprogress.org/issues/healthcare/reports/2020/08/21/489710/aca-marketplaces-poised-weather-covid-19/>.